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SIPDIS

COMMERCE PASS FOR NTIA

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SUBJECT: JAMAICAN SPECTRUM MANAGEMENT POLICIES

REF: 05 STATE 225777

1. (U) Econoff delivered reftel talking points to Delroy Brown, official at the Spectrum Management Agency (SMA) of the Ministry of Commerce, Science and Technology (MCST) on December 21, 2005. Brown requested that the specific questions be left with him so that he might direct them to the appropriate subject matter experts. Econoff followed up by telephone on several occasions, but was informed that SMA was moving offices, and that meeting the January 10, 2006 deadline would be unlikely. Brown contacted Econoff on January 12 to inform that the questions had been misplaced. Econoff faxed questions to Brown on January 13, and received written replies on February 1. Post regrets the delay in responding.

2. (U) Answers are keyed to reftel questions.

A.) Responsible Authority: The body responsible for spectrum management in Jamaica is the Spectrum Management Authority. This independent regulatory body is an agency of the Ministry of Commerce, Science, and Technology (with Energy) and was established by the Telecommunications Act 2000.

B.) Assignment Process: The method generally adopted for assigning licences is first come, first served. The Authority has applied other methods in the past, such as auctions for the cellular licences in 2000. Going forward, the authority is looking towards other methods of spectrum assignment, based on the circumstances of the market. This will include Comparative Review and the use of Licence-Exempt spectrum.

C.) Licensing Regime: As per the Telecommunications Act, Section 23 (4), the "Minister may grant a spectrum licence in connection with the provision of a facility or specified service". The policy of the Government of Jamaica is that licensing should be technology-neutral. Licences are issued for one year, with the exception of Maritime Mobile Licences which are issued for four years and are renewable.

D.) Licensee Privileges: At this time in Jamaica, licensees do not have "property rights" to the spectrum to which they have been assigned. Therefore, they may not trade, lease, or share spectrum in return for payment. There is no secondary market for spectrum licences. Licensees do not have the right to transfer licences to other parties. Licences may only be transferred to another party with the permission of the Minister. Generally, the new users will need to apply for a new licence. All payments with respect to spectrum licences are made through the Authority.

E.) Spectrum Fees: Spectrum users are required to pay three types of Fees as follows:

Processing fee: This is a non-refundable fee charged to applicants to cover the administrative costs of processing the licences.

Spectrum licence fees: These annual fees are charged for the use of the spectrum. Spectrum licence fees are charged using the Regulations to the Radio and Telegraph Control Act, 1998, as a guideline. All spectrum licence fees collected by the SMA are remitted to a Consolidated Fund.

Regulatory Fees: The Telecommunications Act of 2000 made provisions for the SMA to charge regulatory fees to finance the normal annual operating costs of the Authority. Regulatory Fees are charged based on a "Value-Based Mechanism," following a principle of the more spectrum you use, the higher the fees you pay. These fees were introduced in April 2003. Spectrum users are divided into two Groups according to the commercial benefit derived from the use of the spectrum.

Group 1 consists of cellular companies who utilize by far the most spectrum and derive the most commercial benefit from the use of the spectrum.

Group 2 is split into two levels:

Level 1 - those who derive little or no commercial benefit from the use of the spectrum. These users are holders of spectrum licences only and required to pay 35 per cent of the value of the spectrum licence fee.

Level 2 - those who derive commercial benefit from the use of the spectrum and are holder of Carrier and/or Service Provider licences from the Office of Utilities Regulation (OUR). These users are required to pay 70 per cent of the value of the spectrum licence fees.

Further details of the Value-Based Mechanism for regulatory fees may be seen in a consultative document issued in January 2003 at [www.sma.gov.jm](http://www.sma.gov.jm)

Exemptions: Exemptions from processing fees and regulatory fees are possible, subject to review by the SMA. Exemptions for spectrum licence fees are made with the approval of the Ministry of Finance and Planning. Broadcasters are exempt from paying fees based on the Radio and Telegraph Control Act.

F.) Treatment of Government vs. Commercial Users: Apart from the exemptions given to some Government entities with respect to the payment of fees, Government users are subject to the same terms and conditions as commercial users of the spectrum.

G.) Other Incentives: The Authority is working toward a revision of the fee structure for licences. The fee structure will move to a more market-based approach to capture the economic value of the spectrum and create incentives for more efficient use of this resource. Government Spectrum: Government spectrum is treated in the same way as commercial spectrum, with the exception that certain Government entities may be exempt from fees, as indicated above.

H.) In-Country Contacts and Studies: The management of the Spectrum Management Authority is available to discuss these issues in further detail:

Mr. Ernest W. Smith - Managing Director, SMA -  
[ewsmith@sma.gov.jm](mailto:ewsmith@sma.gov.jm)

Mr. Henry Batson - Director, Spectrum Engineering, SMA -  
[hbatson@sma.gov.jm](mailto:hbatson@sma.gov.jm)

Mrs. Michele Thomas - Director, Policy and Strategic Planning, SMA - [mthomas@sma.gov.jm](mailto:mthomas@sma.gov.jm)

The postal address and telephone and fax for all contacts above is:

Spectrum Management Authority  
2 Floor VMBS Building  
53 Knutsford Boulevard  
Kingston 5  
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Recent In-Country work which includes these issues includes: Stern Peter, 2004. Review of the Legal, Institutional and Regulatory Framework for the Telecommunications Sector and Recommendations for Reform.

Generally, there are a number of internet papers on market-based economic mechanism for spectrum assignment, including the ITU Trends in Telecommunication Reform 2004/05 - Licensing in an Era of Convergence.

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